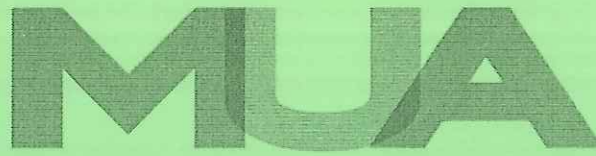


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**POST GRADUATE UNIVERSITY EXAMINATIONS**  
**SCHOOL OF MANAGEMENT AND LEADERSHIP**  
**DEGREE OF MASTER OF BUSINESS MANAGEMENT**

**SMO 503 : CHANGE MANAGEMENT AND STRATEGY**

**DATE:** 5<sup>TH</sup> APRIL 2018

**DURATION: 3 HOURS**

**MAXIMUM MARKS: 60**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided.

**QUESTION ONE**

**Read the Case Study below carefully and answer the questions that follow:**

A long-established bank is facing strong competition from new entrants into the retail banking market. The new entrants specialise in the provision of telephone and internet banking services and have a lower cost base because they do not carry the overheads associated with a large branch network.

A director of the branch network in the traditional bank has proposed a strategy for responding to this competition. It involves closing down 20 per cent of the branch network in order to reduce overheads and increase net revenue per customer. At this stage the details of the strategy have not been finalized. For example, the branches targeted for closure could be city-centre branches occupying expensive properties or small rural branches occupying low-cost premises but with relatively few customers of high net worth to the bank.

Imagine that you are a consultant who has been engaged by the director who initiated the proposal. Your role is to help her explore the feasibility of the proposal to increase profitability by contracting the branch network and also to design a change plan that could be implemented if it is decided to go ahead with the closures.

**Required:**

- a) Identify and describe 5 key stakeholders who might be affected by the change (10 Marks)
- a) Identify and discuss FIVE key actions/activities to be considered in planning for the change. (10 Marks)
- b) Discuss with illustrations the external forces of change that impact on organizations. (10 Marks)

**QUESTION TWO**

- a) Explain with appropriate illustration John Kotter's Eight Steps Change Model. (10 Marks)
- b) Outline FIVE (5) characteristics of transformational change. ( 5 Marks)



**QUESTION THREE**

- a) The implementation of change in organizations is sometimes met with resistance and defensiveness, often resulting in less than optimal outcomes. Explain with illustrations the main causes of employee resistance to change. (9 Marks)
- b) Discuss with examples any one organizational component impacted by change. (6 Marks)

**QUESTION FOUR**

- a) Describe and explain the relevance of **any two** of the following change management theories in today's organizations.
- i) The Individual Perspective School (3 Marks)
  - ii) The group Dynamics School and (3 Marks)
  - iii) The open Systems School (3 Marks)
- b) Describe with illustrations any three benefits of using the systems approach in planning for change in an organization. (6 Marks)

